FEB 16 1945
CHARLES ELMORE CROPLEY
CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1944.

No. 882

W. F. AND JOHN BARNES COMPANY, JOHN S. BARNES CORPORATION AND ODIN CORPORATION,

Petitioners,

vs.

INTERNATIONAL HARVESTER COMPANY AND EX-CELL-O CORPORATION,

Respondents.

RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

ALWIN F. PITZNER,
RICHARD RUSSELL WOLFE,
Counsel for Respondents.

THE GUNTHORP-WARREN PRINTING COMPANY, 219 WEST JACKSON, CHICAGO

INDEX.

	PAGE
Subject Matter Involved	1
Argument	4
Summary of Argument	4
Summary Outline of the Decision of the Court of Appeals Below	5
Petitioners Have Presented No "Question" or "Reason" Adequate to Warrant Issuance of the Writ	9
The Decision Below is in Accord With Prevailing Practice	11
Petitioners' Proposal That This Court Overrule Its Decision in Ex Parte Peterson Is Without Merit	12
Petitioners Seek to Bring Here Detail Matters Commonly Handled in the Clerk's Office	13
Conclusion	14

List of Authorities.

Appliance Investment Co. v. Western Electric Co., Inc. (C. C. A. 2, 1932), 61 F. (2d) 752 11
Barber-Coleman v. Withnell (D. C. Mass. 1928), 28 F. (2d) 543 ..... 6, 12
Eickhoff v. Vulcan Iron Works (D. C. Pa. 1942), 2 F. R. D. 490 12
Goodrich v. Ford Motor Co. (D. C. Mich. 1940), 47 U. S. P. Q. 501 12
Gotz, et al. v. Universal Products Co. (D. C. Del. 1943), 3 F. R. D. 153 12
Harris v. Twentieth Century-Fox Film Corp. (C. C. A. 2, 1943), 139 F. (2d) 571 7
Kansas City Southern Ry. Co. v. Guardian Trust Co. (1930), 281 U. S. 1 6-7
Lambert v. Williams Lime Mfg. Co. (D. C. Tenn. 1941), 39 F. Supp. 18 ..... 6, 12
Lucking v. Delano (App. D. C. 1941), 122 F. (2d) 21 3
Milburn Co. v. Davis-Bournonville Co., 270 U. S. 390 7
Newton v. Consolidated Gas Co. (1924), 265 U. S. 78 12-13
Peterson, Ex parte (1920), 253 U. S. 300 ..... 5, 12, 13
Prudential Ins. Co. v. Goldstein (D. C. N. Y. 1942), 43 F. Supp. 767 3
Reinharts, Inc. v. Caterpillar Tractor Co. (C. C. A. 9, 1938), 99 F. (2d) 648 11
Rude v. Buchhalter (1932), 286 U. S. 451 7
Somers Coal Co. v. U. S. (D. C. Ohio, 1942), 2 F. R. D. 532 3
Swan Carburetor Co. v. Chrysler Corp. (D. C. Mich. 1944), 61 U. S. P. Q. 475 12
T. H. Symington & Sons, Inc. v. Symington Co. (D. C. Md. 1935), 12 F. Supp. 391 ..... 6, 12
Victor Talking Machine Co. v. Starr Piano Co. (C. C. A. 2, 1922), 281 Fed. 60 11
43 Har. L. Rev. 33, 52—Frankfurter and Landis 10

IN THE

Supreme Court of the United States

OCTOBER TERM, A. D. 1944.

No. 882

W. F. AND JOHN BARNES COMPANY, JOHN S. BARNES CORPORATION AND ODIN CORPORATION,

Petitioners,

vs.

INTERNATIONAL HARVESTER COMPANY AND EX-CELL-O CORPORATION,

Respondents.

RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

SUBJECT MATTER INVOLVED.

Petitioners seek a review here on the naked question of "*costs*".

A summary of the litigation is set out in the petition (pp. 2-6). Some addition and comment is required both because of incompleteness of this summary and because it is so intertwined with self-serving conclusion and argument.

The present suit was one brought by petitioners for pat-

ent infringement and was of rather extraordinary dimensions. The Court of Appeals characterized it in its Opinion thus: "The original complaint and its amendments charged the defendants with infringement of fourteen patents, containing almost 1000 claims, of which plaintiffs relied on 129 as exemplary of various phases of the alleged inventions." (R. 198). "This was an unusually large patent suit in which many claims of the eleven patents remaining in issue were challenged. All of the patents were indeed intricate and required much testimony and demonstration for a correct solution of the problems presented." (R. 204).

As a matter of fact, the trial of the case and preparation of opinion occupied substantially one full year of the trial court's time, aside from the normal summer vacation period. Trial opened September 28, 1942, and continued through final argument until April 2, 1943, the Opinion being filed June 17, 1943.

At the conclusion of the trial every single patent claim in issue was held invalid (R. 148). And from that decree petitioners took no appeal whatever.

The appeal below was taken simply from the final order fixing the amount of costs.

What was sought in the Court of Appeals below, and what is sought here, is a review of such matters as how many days' subsistence for a certain witness were properly taxable under U. S. C. Title 28, Section 600c; what particular certified copies of file wrappers of patents procured from the Commissioner of Patents and offered in evidence were properly taxable as costs; and what other exhibits offered and received in evidence were properly taxable as costs.

Of the "colored charts and colored enlargements of

patent drawings" (Petitioners' item 1, p. 3), petitioners omit to mention that these were offered and received in evidence. Moreover, as the Court of Appeals said (R. 201) "So far as the record discloses [Petitioners'] offered no objection to such evidence." Petitioners' assertion that the trial court "made no finding that any of the charts was necessary to an understanding of the evidence or to prove the material facts of respondents' case" is merely pointless. The trial court entered its order upon the basis of respondents' Bill of Costs and Supporting Affidavits (R. 151-176). No counter-affidavits or other proofs were proffered by petitioners. "Findings" were therefore not required or even proper: *Lucking* v. *Delano* (App. D. C. 1941), 122 F. (2d) 21, 22; *Prudential Ins. Co.* v. *Goldstein* (D. C. N. Y. 1942), 43 F. Supp. 767, 768; *Somers Coal Co.* v. *U. S.* (D. C. Ohio 1942), 2 F. R. D. 532, 533.

The same considerations apply to items 2 and 3 in the petition (pp. 3-4).

The Court of Appeals said as to all these items (R. 201-202), "the reasonable expense of their procurement" was properly taxable as costs "if the court reasonably thought they were necessary and helpful to an expeditious and proper trial of the issues." Moreover, the Court of Appeals observed: "That the district court was of this opinion is clearly to be implied from that court's action in approving the taxation, and it is clearly supported by appellees' supporting affidavits, which are not in any manner controverted by appellants."

ARGUMENT.

Summary of Argument.

No matter of sufficient public interest is, we believe, involved to warrant issuance of the writ prayed.

The controversy is, in essence, simply: What amount of costs shall petitioners be required to pay in this litigation whose merits have long since been decided?

Petitioners' assertion that they are not concerned with mere "amount" of the costs is belied by their repeated reference to the sums involved. Considered in the perspective of the size of the original case, length of trial, etc. (*ante*, p. 2), the amounts are, however, merely nominal.

Indicative of the probable lack of merit in petitioners' contentions is the consistency with which they have heretofore been rejected. The Clerk of the District Court who originally taxed the costs, the trial Judge who denied petitioners' motion to retax, and the Court of Appeals in its unanimous decision, have all rejected petitioners' contentions *in toto*.

In support of our submission that the writ should not issue, we have, by way of preliminary, reviewed the decision of the Court of Appeals below, and have thereafter sought to show that the "questions" and "reasons" alleged by petitioners are not of a character to warrant review, that there is no diversity of opinion between Circuit Courts of Appeals, alleged or extant, that the taxation of costs complained of is in fact in accord with generally accepted practice in patent infringement causes in the Federal Courts, that petitioners' proposal that this Court overrule its own applicable prior decisions is without merit,

and that the minutiae of cost items which petitioners seek to spread before this Court involve matters of detailed review not properly cognizable in this or any other appellate court.

Summary Outline of the Decision of the Court of Appeals Below.

In its decision (R. 198) the Court of Appeals considered in some detail and approved of the taxation of costs for each of the items set out in the petition.

Throughout the opinion it is apparent that the Court of Appeals regarded itself as proceeding under well-established authority and without occasion for establishing any "new law".

The first three items listed in the petition (pp. 3-4) comprise charts, simplified drawings of the accused machines, models, and the like. In considering whether or not the reasonable cost of preparing them was properly taxable as costs, the Court of Appeals observed (R. 200):

> "Plaintiffs urge that there must be specific statutory authority before an item may be taxed as costs, and that cost statutes must be strictly construed. The statute from which, they contend, authority to tax all party and party costs is derived is the Fee Bill Act of 1853, 28 U. S. C. A. section 830, which reads as follows:
>
> * * * * *
>
> "Our Supreme Court has interpreted this section of the statute adversely to plaintiffs' contention."

And after quoting from *Ex parte Peterson*, (1920) 253 U. S. 300, the Court observed:

> "This ruling was not in derogation of Section 830, but in effect it held that that section applied only to the costs therein specifically referred to.
>
> * * * * *

"It is quite true that in the *Peterson* and *Newton* cases the items in issue were of a different specific character than those now before us. However, those courts held that such items were properly charged as costs not because of express statutory enactment, nor because of the specific character of the item, but because of long continued usage, confirmed by implications from provisions in many statutes. The effect of such ruling was to place within the trial court, in equity proceedings, a large discretion in admitting in evidence all pertinent matters which in the court's view would expedite the trial, and which would give the court and the parties a clearer conception of the points in issue. Generally speaking, such practice must of necessity redound to the benefit of the parties as well as the court. We have found this to be true in this court, and from the district court's rulings in this case, we apprehend that it is true of all other courts."

Thereafter the Court cited various cases indicative of the practice of receiving in evidence exhibits of the type in question in patent infringement cases and taxing the same as costs where the trial court had found them to be reasonably necessary for proper understanding of the controversy.

Certainly there was nothing in the foregoing which constituted any departure from precedent or established practice.

Of the numerous cases which have placed an identical interpretation on the *Peterson* and *Newton* Cases from this Court, see *Barber-Coleman* v. *Withnell* (D. C. Mass. 1928), 28 F. (2d) 543, 544; *T. H. Symington & Sons, Inc.* v. *Symington Co.* (D C. Md. 1935), 12 F. Supp. 391, 392; *Lambert* v. *Williams Lime Mfg Co.* (D. C. Tenn. 1941), 39 F. Supp. 18, 19.

Great reliance is placed in petitioners' brief (pp. 20-23) upon the decisions of this Court in *Kansas City Southern*

Ry. Co. v. *Guardian Trust Co.* (1930), 281 U. S. 1, and *Rude* v. *Buchhalter* (1932), 286 U. S. 451. Both are cases dealing with attorneys' fees, an item specifically covered by the statute (U. S. C. Title 28, Section 830) and were carefully considered by the Court of Appeals below (R. 202).

Next in order the Court of Appeals treated the cost of taking and certifying depositions, reaching a conclusion squarely in accord with an earlier decision of the Second Circuit Court of Appeals, and saying:

> "Item 6 of our summary of items relates to expenditures for taking and certifying depositions, and for the notary's per diem, in excess of fees specified in 28 U. S. C. A. section 597. This question has been decided by the Second Circuit in *Harris* v. *Twentieth Century-Fox Film Corporation, supra.* That court held that, under Rule 80 of the Rules of Civil Procedure, such expenditures may be taxed ultimately as costs, in the discretion of the court. We concur in the conclusions of that opinion."

Of the propriety of taxing the cost of certain file wrappers of patents offered and received in evidence, the Court of Appeals said:

> "The file wrappers in question are those of patents issued on applications filed prior to that of the particular patent or patents in suit against which they were pleaded, but which actually matured into patents after the filing of the corresponding patent here in suit. We think it is fair to assume from plaintiffs' statement of their contention and from the court's finding of facts and its opinion, that many of such file wrappers of the prior art were used and referred to by the court. For us to say now that they were not necessary nor helpful to the court's rightful determination of the cause would be indulging in an unwaranted presumption. Such evidence was material and admissible. See *Milburn Co.* v. *Davis Co.*, 270 U. S. 390."

After elaborating somewhat further on its reasons on that point, the Court of Appeals, took up the matter of the number of days for which attendance and subsistence fees should be allowed for defendants' expert. It appeared that he "was in attendance at the trial on 123 separate days", and that he "testified on sixty-nine separate days", although the latter "were not all consecutive days" (R. 204). In overruling petitioners' contention that the fee should be limited to the actual days he was testifying, the Court said:

> "This was an unusually large patent suit in which many claims of the eleven patents remaining in issue were challenged. All of the patents were indeed intricate and required much testimony and demonstration for a correct solution of the problems presented. Every claim was held invalid, and from that decision no appeal was prosecuted. It is indeed difficult in such cases for the court or the attorneys to determine precisely when a witness will be used, or when he may be excused from attendance even after he has testified. We think it would be unfair to require the attorneys on either side to determine at the beginning of a trial the exact order in which their witnesses will be used. Nor is it usually determinable by the opponents or by the court when or how often a witness will be recalled for cross-examination, or for further examination by the court. In a case of this magnitude it would be most difficult for us to say the trial court had erred in not excusing this expert before all of the evidence in the case had been concluded. A reading of the findings and conclusions of law, and the written opinion of the court, convinces us that it would have been very unwise on the part of the court or of the defendants, to have excused the defendants' expert until the evidence was closed. The court did not allow per diem and subsistence to this witness during his attendance at the argument of the case and this was right, but we cannot say that the court erred in allow-

ing the other items. This record comes to us with the court's approval of the claim. We think it was a matter solely within its discretion, and we cannot say that discretion was abused."

There is nothing here even remotely resembling a grant of unbridled discretion to a trial court. Discretion was permitted only with respect to such aspects of the matter as are inherently and inevitably peculiarly within the knowledge of the trial judge.

Petitioners Have Presented No "Question" or "Reason" Adequate to Warrant Issuance of the Writ.

A glance at the list of "Questions Presented" (pet. pp. 8-9) is sufficient to show that no cleancut issue of any general or public interest is involved.

The first "question" has been worded in such an anxiety to suggest a favorable answer as to amount simply to the ridiculous inquiry: Are anything but legally taxable items legally taxable?

The remaining questions are so interlarded with exceptions and qualifications as to have little or no real significance. They finally taper off into such inconsequential detail as the amounts of "notaries' charges" and "attendance and subsistence fees" for a particular witness while he was in attendance at trial but not actually on the witness stand.

Such failure to present any broad question for review is symptomatic of the fact that all petitioners are really concerned with is in achieving a reduction in the amount of costs charged against them in this particular case. But more than that is required for issuance of a writ of certiorari. As Messrs. Frankfurter and Landis put it in

summarizing the applicable authorities in 43 Har. L. Rev. 33, 52:

> "In its general practice the court has made abundantly clear that certiorari cannot serve as relief merely from an erroneous result or even from individual hardship."

Petitioners' preoccupation with what they conceive to be the erroneous result in this particular case, as distinguished from grounds of public policy which would warrant issuance of the writ, is indicated by the form of "conclusion" at the end of their brief. Such conclusion is not that a writ should be issued; in fact, there is no mention of that at all. On the contrary, it goes to the ultimate conclusion "that the decision of the Circuit Court of Appeals should be reversed."

The "Reasons for Granting the Writ" advanced by petitioners (pp. 9-10) are equally barren. The first two suggest that the decision of the Court of Appeals was probably in conflict with applicable decisions of this Court, and the third that the Court of Appeals' construction of the Fee Bill Act of 1853 requires an exercise of this Court's power of supervision. Such alleged "reasons" are but argumentative restatements of what petitioners believe the law ought to be, apparently suggested by the language of Rule 38 of this court.

The premises of all three "reasons" fail, for the Court of Appeals did *not* permit "a district court to tax as costs, items not made taxable as such by statute, rule or practice", it did *not* reach "the conclusion that a federal court of equity sitting in Illinois has a discretion to define what expenditures of litigation are taxable as costs to either party", and the Court of Appeals did *not* purport "to construe the Fee Bill Act of 1853 without considering legislative intent." On the contrary, it followed well-established

federal practice (*post*, pp. 12-13) and adopted this court's own interpretation of the Fee Bill Act (*ante*, pp. 5-6).

The first two of the cases which petitioners cite (footnote 4 on p. 9) as being contrary to the decision of the Court of Appeals below are in fact the very precedents on which that Court particularly relied. Petitioners' proposition thus hangs by the tenuous thread of their own peculiar interpretation of those cases.

The Decision Below Is in Accord With Prevailing Practice.

Aside from the Seventh Circuit Court of Appeals, whose decision is here in question, both the Second and Ninth Circuit Courts of Appeals have had occasion to pass on similar questions of costs in patent infringement cases. Their decisions are substantially in accord.

The Second Circuit Court of Appeals first passed on the matter in *Victor Talking Machine Co.* v. *Starr Piano Co.* (C. C. A. 2, 1922), 281 Fed. 60, where they allowed as costs an expenditure for motion pictures and photographs of cutting tools because "necessary to enable the trial court to understand the processes and to make a proper record for review." That same Court had occasion to review the question again in *Appliance Investment Co.* v. *Western Electric Co., Inc.* (C. C. A. 2, 1932), 61 F. (2d) 752, 756. In the latter instance they allowed as costs "expense incurred in providing simplified drawings for use in making more clear at the trial the drawings of patents having a bearing on the issues." The Ninth Circuit Court of Appeals also allowed expenditures for charts as costs in a patent infringement suit in *Reinharts, Inc.* v. *Caterpillar Tractor Co.* (C. C. A. 9, 1938), 99 F. (2d) 648, 649, citing the *Appliance Case* as precedent.

No contrary decisions by Circuit Courts of Appeals have been cited by petitioners nor are we apprised of any.

The District Court decisions are, as might be supposed, somewhat more numerous, but they are equally unanimous. Instances in which expenditures for charts and the like similar to those here in question were held to be taxable, if necessary to proper consideration of the case, include: *Barber-Coleman Co.* v. *Withnell* (D. C. Mass. 1928), 28 F. (2d) 543, 544; *T. H. Symington & Sons, Inc.* v. *Symington Co.* (D. C. Md. 1935), 12 F. Supp. 391, 392; *Lambert* v. *Williams Lime Mfg. Co.* (D. C. Tenn. 1941), 39 F. Supp. 18, 19; *Goodrich* v. *Ford Motor Co.* (D. C. Mich. 1940), 47 U. S. P. Q. 501; *Eickhoff* v. *Vulcan Iron Works* (D. C. Pa. 1942), 2 F. R. D. 490; *Gotz et al.* v. *Universal Products Co.* (D. C. Del. 1943), 3 F. R. D. 153, 155; *Swan Carburetor Co.* v. *Chrysler Corp.* (D. C. Mich. 1944), 61 U. S. P. Q. 475.

That the decision of the Circuit Court of Appeals below in the present case was completely in accord with prevailing opinion and practice is clear.

Petitioners' Proposal That This Court Overrule Its Decision in Ex Parte Peterson Is Without Merit.

A large part of petitioners' brief is devoted to support of their contention that the decision of the Court of Appeals below is in conflict with the applicable decisions of this Court (pp. 13-17).

Those same arguments were urged before the Court of Appeals and disposed of in the latter Court's opinion (see R. 202 and *ante* p. 7). The Court of Appeals did not undertake any new construction of the Fee Bill Act of 1853 but simply, as it stated, followed the dictates of this Court in *Ex parte Peterson* (1920), 253 U. S. 300, reiterated in *Newton* v. *Consolidated Gas Co.* (1924), 265

U. S. 78. Accordingly, all of petitioners' argument about lack of consideration of legislative intent is groundless.

Petitioners evidently felt their argument as to *Ex parte Peterson* left something to be desired, for they conclude discussion of it (their brief pp. 28-31) with a section suggesting that it should be overruled.

The decision in *Ex parte Peterson,* written by the late Mr. Justice Brandeis for a unanimous court, has stood without question in this Court for well over two decades. No merit is seen in petitioners' contention that it should be disturbed.

The working of the practice laid down in the *Peterson Case* is characterized by the Court of Appeals below as being "such a practice" that it "must of necessity redound to the benefit of the parties as well as the court". (R. 201.) To add its own testimony on the point, the Court went on to say, "We have found this to be true in this court, and from the district court's rulings in this case, we apprehend that it is true of all other courts."

The like result in other courts is attested by the decisions cited previously herein (*ante* pp. 12-13).

Petitioners have shown no reason in policy or logic why a practice long established, generally accepted, and beneficial in its results, should be disturbed.

Petitioners Seek to Bring Here Detail Matters Commonly Handled in the Clerk's Office.

Petitioners' learned discourse on legislative history, etc., to the contrary notwithstanding, much of what they seek to put before this Court for review is but the minutiae of this or any other case.

Surely when the Clerk of the District Court and four Federal Judges (one in the District and three in the Court

of Appeals) have already pondered the question of whether one of respondents' witnesses should receive an attendance fee of $2.00 per day and a subsistence fee of $3.00 per day, for 123 days rather than 69 days, there is no reason for petitioners to burden this Court with the profundities of that problem.

So, too, with the other items here. They cover simply what are admitted to be a reasonable cost of exhibits offered and received in evidence. Surely no useful purpose is to be served in having this Court plow through the Record of a case long since concluded, and which took nearly a year to try, in order to reappraise the "necessity" of each of those hundreds of exhibits. That is and always has been peculiarly the province of the trial court. And that is precisely what the Court of Appeals held in this case.

From being the proponents of a set of patents that were to dominate an industry, petitioners have now finally come down to what is so far an endless series of appellate proceedings over how many days a witness should be paid statutory per diem fee, etc. It is, we respectfully submit, time the books were closed on this case once and for all.

Conclusion.

The petition for writ of certiorari should be denied.

Respectfully submitted,

Alwin F. Pitzner,
Richard Russell Wolfe,
One North La Salle Street,
Chicago, Illinois.